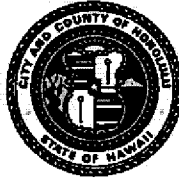


DEPARTMENT OF TRANSPORTATION SERVICES  
**CITY AND COUNTY OF HONOLULU**

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MUFI HANNEMANN  
MAYOR



WAYNE Y. YOSHIOKA  
DIRECTOR

RICHARD F. TORRES  
DEPUTY DIRECTOR

July 16, 2008

RT7/08-270694

Mr. Leslie T. Rogers, Regional Administrator  
Federal Transit Administration, Region IX  
U. S. Department of Transportation  
201 Mission Street, Suite 1650  
San Francisco, California 94105

Dear Mr. Rogers:

We appreciate your continuing support in progressing the Honolulu High-Capacity Transit Project through the project development phase.

This letter is to advise you that we have reached another important milestone in the development of the project. Attached herewith is a copy of correspondence from Mayor Hanneman dated April 17, 2008, to the Chair of the Honolulu City Council informing her that the steel on steel technology has been selected and the Council was duly notified that a solicitation for the steel-on-steel technology will be issued after 90 days of the letter. The 90-day notification requirement was promulgated by the City Ordinance that selected the Locally Preferred Alternative. The 90-day period expired today and, therefore, the City Administration has satisfied the ordinance proviso before issuing the solicitation proposals for work that includes design of the steel-on-steel fixed guideway system.

We hope that this confirmation of the technology selection will aid you in initiating the capital cost review by a project management and oversight consultant, and we look forward to working with the FTA and the consultant. Our goal is to assist your effort in completing this review as expeditiously as possible and be in a position to seek entry into preliminary engineering in the early fall of this year.

The Draft Environmental Impact Statement (DEIS), which we will forward shortly, will reflect a refreshed financial plan with the capital cost adjusted for inflation and design refinements as a result of the technology selection process and other ongoing studies. Most significantly, the financial plan will continue to demonstrate that there are sufficient revenue sources to fully fund the project.

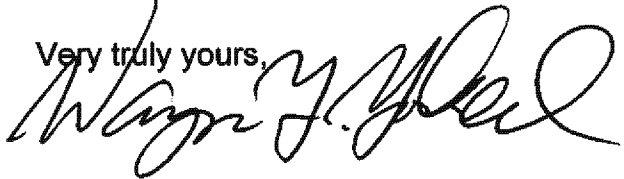
Mr. Leslie T. Rogers, Regional Administrator

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July 16, 2008

We look forward to the meeting on August 12, 2008, in San Francisco to brief you on the DEIS and to discuss the details of the financial plan and project delivery.

Very truly yours,

A handwritten signature in black ink, appearing to read "Wayne Y. Yoshioka". The signature is fluid and cursive, with a large, stylized "W" and "Y".

WAYNE Y. YOSHIOKA  
Director

Attachment